

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:) Chapter 11
)
GENON ENERGY, INC., <i>et al.</i> , ¹) Case No. 17-33695 (DRJ)
)
Debtors.) (Jointly Administered)
)
) Re: Docket No. 123

**THIRD SUPPLEMENT TO DECLARATION OF KEVIN M. CARMODY
IN SUPPORT OF DEBTORS' APPLICATION FOR ENTRY OF AN
ORDER (I) AUTHORIZING THE RETENTION AND EMPLOYMENT
OF MCKINSEY RECOVERY & TRANSFORMATION SERVICES
U.S., LLC AS RESTRUCTURING ADVISOR FOR THE DEBTORS *NUNC
PRO TUNC* TO THE PETITION DATE AND (II) GRANTING RELATED RELIEF**

I, Kevin M. Carmody, under penalty of perjury, declare as follows:

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The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: GenOn Energy, Inc. (5566); GenOn Americas Generation, LLC (0520); GenOn Americas Procurement, Inc. (8980); GenOn Asset Management, LLC (1966); GenOn Capital Inc. (0053); GenOn Energy Holdings, Inc. (8156); GenOn Energy Management, LLC (1163); GenOn Energy Services, LLC (8220); GenOn Fund 2001 LLC (0936); GenOn Mid-Atlantic Development, LLC (9458); GenOn Power Operating Services MidWest, Inc. (3718); GenOn Special Procurement, Inc. (8316); Hudson Valley Gas Corporation (3279); Mirant Asia-Pacific Ventures, LLC (1770); Mirant Intellectual Asset Management and Marketing, LLC (3248); Mirant International Investments, Inc. (1577); Mirant New York Services, LLC (N/A); Mirant Power Purchase, LLC (8747); Mirant Wrightsville Investments, Inc. (5073); Mirant Wrightsville Management, Inc. (5102); MNA Finance Corp. (8481); NRG Americas, Inc. (2323); NRG Bowline LLC (9347); NRG California North LLC (9965); NRG California South GP LLC (6730); NRG California South LP (7014); NRG Canal LLC (5569); NRG Delta LLC (1669); NRG Florida GP, LLC (6639); NRG Florida LP (1711); NRG Lovett Development I LLC (6327); NRG Lovett LLC (9345); NRG New York LLC (0144); NRG North America LLC (4609); NRG Northeast Generation, Inc. (9817); NRG Northeast Holdings, Inc. (9148); NRG Potrero LLC (1671); NRG Power Generation Assets LLC (6390); NRG Power Generation LLC (6207); NRG Power Midwest GP LLC (6833); NRG Power Midwest LP (1498); NRG Sabine (Delaware), Inc. (7701); NRG Sabine (Texas), Inc. (5452); NRG San Gabriel Power Generation LLC (0370); NRG Tank Farm LLC (5302); NRG Wholesale Generation GP LLC (6495); NRG Wholesale Generation LP (3947); NRG Willow Pass LLC (1987); Orion Power New York GP, Inc. (4975); Orion Power New York LP, LLC (4976); Orion Power New York, L.P. (9521); RRI Energy Broadband, Inc. (5569); RRI Energy Channelview (Delaware) LLC (9717); RRI Energy Channelview (Texas) LLC (5622); RRI Energy Channelview LP (5623); RRI Energy Communications, Inc. (6444); RRI Energy Services Channelview LLC (5620); RRI Energy Services Desert Basin, LLC (5991); RRI Energy Services, LLC (3055); RRI Energy Solutions East, LLC (1978); RRI Energy Trading Exchange, Inc. (2320); and RRI Energy Ventures, Inc. (7091). The Debtors' service address is: 804 Carnegie Center, Princeton, New Jersey 08540.

1. I am a Practice Leader in the professional services firm of McKinsey Recovery & Transformation Services U.S., LLC (“McKinsey RTS US”)² with an office at 55 East 52nd Street, New York, New York 10055. I am duly authorized to make and submit this supplemental declaration (the “Third Supplemental Declaration”) on behalf of McKinsey RTS US as a supplement to my declaration dated June 23, 2017 (the “Declaration”) [Docket No. 123], the first supplement to the Declaration dated July 13, 2017 (the “First Supplemental Declaration”) [Docket No. 221] and the second supplement to the Declaration dated September 14, 2017 (the “Second Supplemental Declaration”) [Docket No. 771] in support of the Debtors’ Application (the “Application”) [Docket No. 123] for entry of an order authorizing the employment and retention of McKinsey RTS US as restructuring advisor for the Debtors, *nunc pro tunc* to the Petition Date under the terms and conditions set forth in the Engagement Letter, attached to the Application as Exhibit 1 to Exhibit A. I submit this Third Supplemental Declaration in accordance with section 327(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a), 2016 and 5002 and Bankruptcy Local Rules 2014-1 and 2016-1.

2. I am making this Third Supplemental Declaration to provide certain additional information as set forth below.

3. Except as otherwise noted, the statements set forth herein are made as a result of my employment position and diligence undertaken by me or by professionals working under my direction and, if called and sworn as a witness, I would testify competently thereto.

4. McKinsey RTS as used in this Third Supplemental Declaration, includes (a) the directors, officers and employees of McKinsey RTS US and (b) certain consultants borrowed

² All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Application, Engagement Letter, the Declaration, the First Supplemental Declaration and the Second Supplemental Declaration, as appropriate and as referenced herein.

from affiliates of McKinsey RTS US for the purpose of serving the Debtors in these chapter 11 cases.

5. Members of McKinsey RTS are employed by McKinsey Recovery & Transformation Services U.S., LLC, McKinsey & Company, Inc. United States and McKinsey & Company Canada/McKinsey & Compagnie Canada.

6. McKinsey RTS continues to monitor the list of Potential Parties in Interest as it is updated, against its own records. As used in this Third Supplemental Declaration, the "Potential Parties in Interest" means the list of interested parties, updated as of November 10, 2017. In preparing this Third Supplemental Declaration, McKinsey RTS (i) checked its internal records to determine the existence of any client service provided by members of McKinsey RTS to entities on the list of Potential Parties in Interest in the past two years as of the Petition Date to December 31, 2017, and (ii) emailed members of McKinsey RTS to determine the existence of any prior employment, relationships, or client service provided by members of McKinsey RTS in the past two years as of the Petition Date to December 31, 2017 to entities added to the list of Potential Parties in Interest since the Second Supplemental Declaration (the "New Potential Parties in Interest"). The list of New Potential Parties in Interest is attached as Schedule 1 hereto. On this basis, we disclose the following, in addition to the disclosures made in the Declaration, the First Supplemental Declaration and the Second Supplemental Declaration.

7. **Confidential M&A Bidders and Affiliates.** Members of McKinsey RTS currently serve, or in the past two years as of the Petition Date to December 31, 2017, have served, either through McKinsey RTS US or an affiliate thereof, two Confidential M&A Bidders and Affiliates or entities or individuals that are affiliates of such Confidential M&A Bidders and Affiliates (together, the "Confidential Parties") in matters unrelated to the Debtors, the Debtors'

chapter 11 cases, or such entities' claims against such Confidential M&A Bidders and Affiliates. Based on the sensitive nature of the Confidential M&A Bidders and Affiliates as Potential Parties in Interest, the Debtors requested that McKinsey RTS keep the identities of the Confidential Parties confidential.

8. **Contractual Counterparties.** Members of McKinsey RTS currently serve, or in the past two years as of the Petition Date to December 31, 2017, have served, either through McKinsey RTS US or an affiliate thereof, the following Contractual Counterparties or entities or individuals that are affiliates of such Contractual Counterparties in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such Contractual Counterparties' claims against the Debtors: Brock Services LLC³ Bank of America Securities LLC, Bank of America, NA, Baltimore Gas & Electric Company, Clean Harbors Environmental Service, Columbia Gas of Ohio Inc., Columbia Gas Transmission Corporation,⁴ Commonwealth Edison Company, Exelon Corporation, Exelon Generation Company LLC, Exelon Generation Company LLC (fka Constellation Energy Commodities Group Inc.), Peco Energy Company, Pepco Phi Company, Union Pacific Railroad Company. A member of McKinsey RTS was previously employed, in the past two years as of the Petition Date, by the following Contractual Counterparties, or entities or individuals that are affiliates of such Contractual Counterparties on matters unrelated to the Debtors and the Debtors' chapter 11 cases or such Contractual Counterparties' claims against the Debtors: Deloitte & Touche LLP.

9. **Joint Venture Parties.** A member of McKinsey RTS currently serves, or in the past two years as of the Petition Date to December 31, 2017, has served, either through

³ Brock Services LLC was inadvertently not disclosed in the Declaration.

⁴ Columbia Gas of Ohio Inc and Columbia Gas Transmission Corporation were inadvertently not disclosed in the Declaration.

McKinsey RTS US or an affiliate thereof, the following Joint Venture Parties or entities or individuals that are affiliates of such Joint Venture Parties in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such Joint Venture Parties' claims against the Debtors: Exelon Generation Company, LLC.

10. **Largest Unsecured Creditors.** Members of McKinsey RTS currently serve, or in the past two years as of the Petition Date to December 31, 2017, have served, either through McKinsey RTS US or an affiliate thereof, the following Largest Unsecured Creditors or entities or individuals that are affiliates of such Largest Unsecured Creditors in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such Largest Unsecured Creditors' claims against the Debtors: Brock Services LLC, Union Pacific Railroad Company.

11. **Letters of Credit Beneficiaries.** A member of McKinsey RTS currently serves, or in the past two years as of the Petition Date to December 31, 2017, has served, either through McKinsey RTS US or an affiliate thereof, the following Letters of Credit Beneficiaries or entities or individuals that are affiliates of such Letters of Credit Beneficiaries in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such Letters of Credit Beneficiaries' claims against the Debtors: Columbia Gas Transmission Company LLC.

12. **Litigation Parties.** A member of McKinsey RTS currently serves, or in the past two years as of the Petition Date to December 31, 2017, has served, either through McKinsey RTS US or an affiliate thereof, the following Litigation Parties or entities or individuals that are affiliates of such Litigation Parties in matters unrelated to the Debtors, the

Debtors' chapter 11 cases, or such Litigation Parties' claims against the Debtors: Exelon Generation Company, LLC.

13. **Noteholders**. A member of McKinsey RTS currently serves, or in the past two years as of the Petition Date to December 31, 2017, has served, either through McKinsey RTS US or an affiliate thereof, the following Noteholders or entities or individuals that are affiliates of such Noteholders in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such Noteholders' claims against the Debtors: Bank of America NA, Merrill Lynch, Pierce, Fenner & Smith Inc.

14. **Notice Of Appearance Parties**. A member of McKinsey RTS currently serves, or in the past two years as of the Petition Date to December 31, 2017, have served, either through McKinsey RTS US or an affiliate thereof, the following Notice Of Appearance Parties or entities or individuals that are affiliates of such Notice Of Appearance Parties in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such Notice Of Appearance Parties' claims against the Debtors: Union Pacific Railroad Company.

15. **Professionals**. A member of McKinsey RTS currently serves, or in the past two years as of the Petition Date to December 31, 2017, has served, either through McKinsey RTS US or an affiliate thereof, the following Professionals or entities or individuals that are affiliates of such Professionals in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such Professionals' claims against the Debtors: Exelon Generation Company LLC.

16. **Schedule Parties**. A member of McKinsey RTS currently serves, or in the past two years as of the Petition Date to December 31, 2017, has served, either through McKinsey RTS US or an affiliate thereof, the following Schedule Parties or entities or individuals that are affiliates of such Schedule Parties in matters unrelated to the Debtors, the Debtors'

chapter 11 cases, or such Schedule Parties' claims against the Debtors: Suez Treatment Solutions Inc.

17. **Shippers.** Members of McKinsey RTS currently serve, or in the past two years as of the Petition Date to December 31, 2017, have served, either through McKinsey RTS US or an affiliate thereof, the following Shippers or entities or individuals that are affiliates of such Shippers in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such Shippers' claims against the Debtors: Columbia Gas of Ohio, Columbia Gas of Pennsylvania, Union Pacific Railroad Company.

18. **Significant Customers.** A member of McKinsey RTS currently serves, or in the past two years as of the Petition Date to December 31, 2017, has served, either through McKinsey RTS US or an affiliate thereof, the following Significant Customers or entities or individuals that are affiliates of such Significant Customers in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such Significant Customers' claims against the Debtors: Exelon Generation Company, LLC.

19. **Significant Vendors.** Members of McKinsey RTS currently serve, or in the past two years as of the Petition Date to December 31, 2017, have served, either through McKinsey RTS US or an affiliate thereof, the following Significant Vendors or entities or individuals that are affiliates of such Significant Vendors in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such Significant Vendors' claims against the Debtors: Exelon Generation Company LLC, Suez Water New York, Union Pacific Railroad Company.

20. To the best of my knowledge and belief, an affiliate of Brock Services LLC, which is identified in the categories Contractual Counterparties and Largest Unsecured Creditors on the list of Potential Parties in Interest accounts for more than one (1%) percent of

McKinsey RTS US's gross annual revenue as of December 2017. McKinsey RTS's support to the affiliate of Brock Services LLC is on matters unrelated to the Debtors and their chapter 11 cases.

21. McKinsey RTS reserves the right to further supplement its declarations in the event it becomes aware of any relationship or other information that requires disclosure.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: February 7, 2018

Chicago, Illinois



Kevin M. Carmody
Practice Leader

Schedule 1
New Potential Parties in Interest

SCHEDULE 1
New Potential Parties in Interest

List of Schedules

Schedule Category

1 (a)	2019 Statement Parties
1 (b)	Confidential M&A Bidders and Affiliates
1 (c)	Confidential Outsourcing Professionals
1 (d)	Miscellaneous
1 (e)	Notice of Appearance Parties
1 (f)	Plan Objection Parties
1 (g)	Professionals

SCHEDULE 1 (a)
2019 Statement Parties

Highbridge Capital Management, LLC

SCHEDULE 1 (b)
Confidential M&A Bidders and Affiliates

confidential

SCHEDULE 1 (c)
Confidential Outsourcing Professionals

confidential

SCHEDULE 1 (d)

Miscellaneous

Direct Energy LP
TP Electric and Power LLC

SCHEDULE 1 (e)
Notice of Appearance Parties

121 Champion LLC
Akerman LLP
Ashby & Geddes, P.A.
Buchalter, A Professional Corporation
Devlin, Naylor & Turbyfill, P.L.L.C.
Florida Gas Transmission Company, LLC
Ford Motor Credit Company LLC
GAG Committee
HydroChem LLC
Iron Mountain Information Management,
LLC
Jackson Walker L.L.P.
Office of Unemployment Compensation Tax
Services, Dept. of Labor and Industry,
Commonwealth of Pennsylvania
Oracle America, Inc.
REMA Owner Lessors (Conemaugh Lessor
Genco LLC, Keystone Lessor Genco LLC,
and Shawville Lessor Genco LLC)
The Gerger Law Firm, PLLC
Union Pacific Railroad Company
Walker Wilcox Matousek, LLP
Winstead PC

SCHEDULE 1 (f)
Plan Objection Parties

121 Champion, LLC
CSX Transportation, Inc.
California Air Resources Board
California Coastal Commission
California Department of Resources
Recycling and Recovery
Chino Basin Watermaster
Chubb Companies
City of Oxnard
Duane Morris LLP
First Energy Companies
General Electric International, Inc.
Jackson Walker LLP
Law Firm of Russell R. Johnson III, PLC
McGrath McCall, P.C.
McGuireWoods LLP
Mintz Levin Cohn Ferris Glovsky & Popeo
PC
Peabody Coalsales, LLC
Reed Smith LLP
Robinson & Cole LLP
Shute, Mihaly & Weinberger LLP
Sussman & Moore LLP
Thompson Coburn LLP
United States of America
Verso Minnesota Wisconsin LLC
Vorys, Slater, Seymour and Pease LLP
Yetter Coleman LLP

SCHEDULE 1 (g)
Professionals

Munsch Hardt Kopf & Harr, P.C.
Schnader Harrison Segal & Lewis LLP